

ELECTION UPDATE

According to the Secretary of State's [latest election returns](#) (4:00 pm today), there are three races still undecided: State Controller, the Senate's 12th district, and the Assembly's 30th district.

In the race for Controller, with over seven million votes cast, Steve Westly (Dem.) has a 21,806-vote margin over Tom McClintock (Rep.), with roughly 188,000 ballots still to be counted.

A McClintock victory would prevent the first Democrat sweep of all of the statewide offices in 120 years. It would also create a Republican majority on the five-member Board of Equalization, which currently has two Democratic members (Carole Migden and John Chiang) and two Republican members (Bill Leonard and Claude Parrish). The Board of Equalization resolves tax disputes and sets the values of utilities, among other things.

In the Senate race, Jeff Denham (Rep.) led Rusty Areias (Dem.) by 1,825 votes at press time, and was declaring victory. If Denham wins, the Senate's 26-14 Democrat majority would shrink to 25-15. This Senate race is expected to wind up costing the two major parties about \$8 million.

The Assembly race is even closer. Nicole Parra (Dem.) leads her Republican opponent Dean Gardner by only 187 votes - 52,219 votes were cast. If Parra wins this seat, the Democrats will control the Assembly with 48 members and the Republicans will have 32 members - for a net gain of two seats for the Republicans. There were rumors that a Republican win in the 30th AD would inspire a move to unseat Assembly Speaker [Herb Wesson](#), though no names of potential successors are being mentioned.

LARGE 2003-04 BUDGET DEFICIT

Yesterday the Legislature's Legislative Analyst [projected](#) a \$21.1 budget deficit for fiscal year 2003-04. If this forecast proves to be correct, the political scene around the Capitol next year will not be pretty. Serious concerns about program cuts vs. tax increases are receiving a lot of attention. With Republicans gaining more seats in the Legislature (and still angry about both the current

budget mess and the way last year's record-setting budget deadlock ultimately was settled) the art of compromise will be seriously tested in about six months.

Senate Republican Leader [Jim Brulte](#) called on Governor Davis to immediately convene a special session of the Legislature to exam government spending and possible budget cuts. The head of the Senate, [John Burton](#) (Dem.), said he would oppose any reductions in aid programs for the elderly, blind and disabled.

OPEN PRIMARY PROPOSAL

Upset with a political system they contend is weighted against the election of moderate candidates, a coalition of business groups and electoral reformers are proposing an initiative, probably for the March 2004 ballot, to create an open primary in the state. The change would affect statewide, legislative and congressional races.

Under the proposal, partisan primaries would be eliminated and all voters in a given locale would receive the same primary ballot. The top two vote-getters in the primary election (even if from the same party) would face each other in the general election.

California voters in 1996 - and again in 1998 - approved initiative measures ([Proposition 198](#) and [Proposition 3](#)) establishing a "blanket primary" system which allowed all voters to vote for any candidate in a primary election regardless of party affiliation. That system was struck down in 2000 by the U.S. Supreme Court ([California Democratic Party v. Jones](#)), which said that the open primary violated the First Amendment by "forcing political parties to associate with those who do not share their beliefs."

The sponsoring organizations for the "Open Primary" proposal include the [California Business Roundtable](#), [California Chamber of Commerce](#), and Californians to Protect the Open Primary. Both the Democratic and Republican parties are expected to oppose, as are many minor parties, who argue that it limits the ability of the electorate to hear more viewpoints during the months between the primary and general elections.